

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6051

BILL NUMBER: SB 76

NOTE PREPARED: Oct 28, 2003

BILL AMENDED:

SUBJECT: Teacher Pension Credit for Military Service.

FIRST AUTHOR: Sen. Craycraft

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill extends from 18 months to 36 months the period within which a member of the Teachers' Retirement Fund (TRF) must return to active teaching service or teacher training after completion of active military service in order for the member to be entitled to credit for the member's military service.

Effective Date: July 1, 2004.

Explanation of State Expenditures: There are no specific data concerning the number of teachers who would be affected by this change. The additional liability generated would be approximately \$4,940 per person affected. The actual increase in annual payout cost will depend upon the number of teachers affected, their military service, their age, and accrued TRF service characteristics. The fund affected is the state General Fund.

Explanation of State Revenues:

Explanation of Local Expenditures: There are no specific data concerning the number of teachers who would be affected by this change. The 1996 TRF Plan (New Plan) is actuarially funded with a level percent of payroll, currently 9%. It is unlikely that these provisions will increase the current level percent of payroll.

Explanation of Local Revenues:

State Agencies Affected: Teachers' Retirement Fund.

Local Agencies Affected: School corporations.

Information Sources: Gabriel Roeder Smith & Co., actuaries for TRF, 1-800-521-0498.

DEFINITION

Actuarial Funding Method: Any of several techniques that actuaries use in determining the amounts and incidence of employer contributions to provide for pension benefits.

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